

S E C R E T

**INSPECTOR GENERAL'S SURVEY
OF THE
OFFICE OF COMMUNICATIONS**

NOVEMBER 1968

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SUMMARY

The Office of Communications operates a strong and flexible communications system, with a substantial capability for adaptation to the requirements of the future. The quality of management is high. We found no major problem areas requiring special attention from outside the office. None of the issues raised in the report are of an urgent nature.

The largest continuing problem confronting the office is in the area of personnel management. Over 70 percent of office positions are in the field. Many employees must serve overseas for extended periods. Despite a number of programs directed at developing closer association between management and employees, there are definite gaps in communications between command levels and the working-level communicators and technicians.


In order to centralize and improve its administration of personnel the Office of Communications is creating a new Career Management Staff. We have recommended that the new staff include one or more professional personnel officers (page 16). There are certain other steps that the management might take to improve its relations with its employees, and we have recommended that it develop a program to do so (page 27).

We believe that the technical requirements of modern communications argue in favor of a larger number of more broadly qualified

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communicators than the office now has. Radio operators are trained to meet the broader requirements, while cryptographers are more narrowly specialized. The difference between these two groups of specialists affects assignability of individuals and causes problems in general management and rotation of personnel. We have recommended a restructuring of personnel classifications in these categories, looking to a reduction in the number of cryptographers and a proportional increase in radio operators (page 22).



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OFFICE OF COMMUNICATIONS

I. INTRODUCTION

1. The Office of Communications (OC) is responsible for operating a world-wide system of efficient and secure electronic communications for the Agency [REDACTED]

[REDACTED]

2. OC is one of the largest single components in the Agency. It has an authorized strength of [REDACTED] employees, and an additional [REDACTED] careerists are detailed to other components of the Agency. [REDACTED] of the office's employees are assigned to headquarters, approximately [REDACTED] are credited against the Development Complement for training. [REDACTED] serve in operational positions in the Headquarters Signal Center, leaving less than 20 percent of total office strength engaged in typical headquarters staff and support activities. About 72 percent of OC positions are in the field. [REDACTED]

[REDACTED] These figures provide an accurate reflection of the office's basic orientation toward the field.

3. During this survey the office was in a state of transition so far as organization and procedures are concerned. As a result,

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this report does not describe a static organization operating with long-established and unquestioned policies and practices. The office is still adjusting to new management following the loss at the end of 1965 of its longtime director, who had guided the development of the Agency's strong, flexible communications system. In the course of the survey, which began in December 1967, the office had two directors, with an acting director serving for a few months between them. Also during this period new limitations on the number of U.S. employees overseas (the so-called BALPA program) required that the office curtail an expansion of services into certain areas of the world. Finally, concurrent with the present survey, the Office of Planning, Programming, and Budgeting was conducting a systems analysis of various OC functions. It was inevitable that there was considerable ferment in the attitudes and activities of office management during this period. For the purpose of the inspection this provided a unique opportunity to observe and evaluate the functioning of management under trying circumstances. Certain conclusions, in summary form, are appropriate at this point.

a. Office management is open minded, challenging on a continuing basis existing policies and practices. It regularly conducts studies on possible modifications of organization and procedure. It has under continuing

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review possible technical innovations that may have useful application in the future. Its approach to policy problems is mature and perceptive.

b. From middle to top levels of management, both in the field and at headquarters, officers are energetic, competent, and sure-footed in meeting the varied demands that are part of the routine of this office. Resourcefulness is a normal characteristic of those the office has advanced to positions of responsibility.

c. At all levels there is a marked sense of purpose, reinforced by a well-established, high standard of performance. What problems there are at working levels--the so-called journeymen--are discussed elsewhere in this report, in the section dealing with personnel.

4. The internal review being conducted by office management at the time of this survey inevitably involved essentially the same subjects being explored by the inspection team. A high degree of coincidence resulted, both in evaluation of what constituted primary problems of the office and in views on general courses of action for resolving them. As a result, many problems which otherwise might have been treated at length in this final report became dead issues. This report tends, therefore, to assume an historical character in

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many respects, summarizing things under way or done, rather than looking to the future in terms of its own proposals. Prior to discussing the findings of the survey, and the things that were done, or that we feel should be done, a summary of office organization will provide background for the discussion.

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II. ORGANIZATION

Headquarters Organization

5. A feature of the office of the Director of Communications is the inclusion in it of the Chief of Operations and the close proximity of the five area divisions: [REDACTED]

[REDACTED]

The Chief of Operations and the area divisions are responsible for operational guidance of overseas activities, and for coordination of headquarters support of them. The location of this activity with the OC director again reflects the emphasis of the office on support of field operations.

6. The remainder of the headquarters organization is divided into staffs. Some of these have the traditional function of management and support staffs; others have substantive responsibilities with a direct operational interest in field activities. Because of the complexity of office programs, there is some overlap between responsibilities of the staffs, especially in technical areas. Coordination sometimes appears to assume a life of its own, although we believe that this is kept within reasonable limits.

7. There are three staff activities with a purely headquarters support character:

a. Administrative Staff. [REDACTED] this staff performs the usual support, fiscal, and personnel

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work. As extensive as its duties are, its effectiveness is limited somewhat by the assignment of substantial responsibilities in the administrative field to some of the other headquarters staffs.

b. Program Coordination Staff. In the face of modern budgeting requirements, and because of the complexity and inter-relationship of office programs, this small staff of [] is involved primarily in FPBS activities. In some respects it repeats the budget responsibilities of the Administrative Staff. It also handles other staff chores for the Director of Communications, including liaison and war planning.

c. Records Management Staff. This staff [] guides the office's substantial records management program, controls central processing and issuance of office regulations and procedures, operates the office registry, and maintains an action file on all headquarters correspondence in cable and dispatch form with the field or other components. Now reporting to the Executive Officer, who is already burdened with a wide range of duties in the office of the Director of Communications, this staff could well be subordinated to the Chief of the Administrative Staff. This observation is not offered as a

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formal recommendation as the matter is particularly subject to the personal preferences of command. However, we feel that subordination of the staff under the Administrative Staff would be sound organizationally, and would give the Executive Officer more time for attention to the varied details of his position in the Office of the Director of Communications.

8. In addition to the three staff organizations above, there are also five "operating" staffs:

a. Engineering Staff. This staff [] is responsible for the installation and maintenance of the Agency's communication system, including management of the basic inventory of communications equipment. At the time the survey commenced it was responsible for R&D and the engineering of all systems. Some of these functions are being transferred to a small Applied Technology Staff. It also provides a service of central supply. In an age of rapid technological advance its responsibility for keeping abreast and ahead of requirements is a demanding one. It manages the assignment and work of [] specialists, a responsibility which will be reassigned to a planned new component, a Career Management Staff.

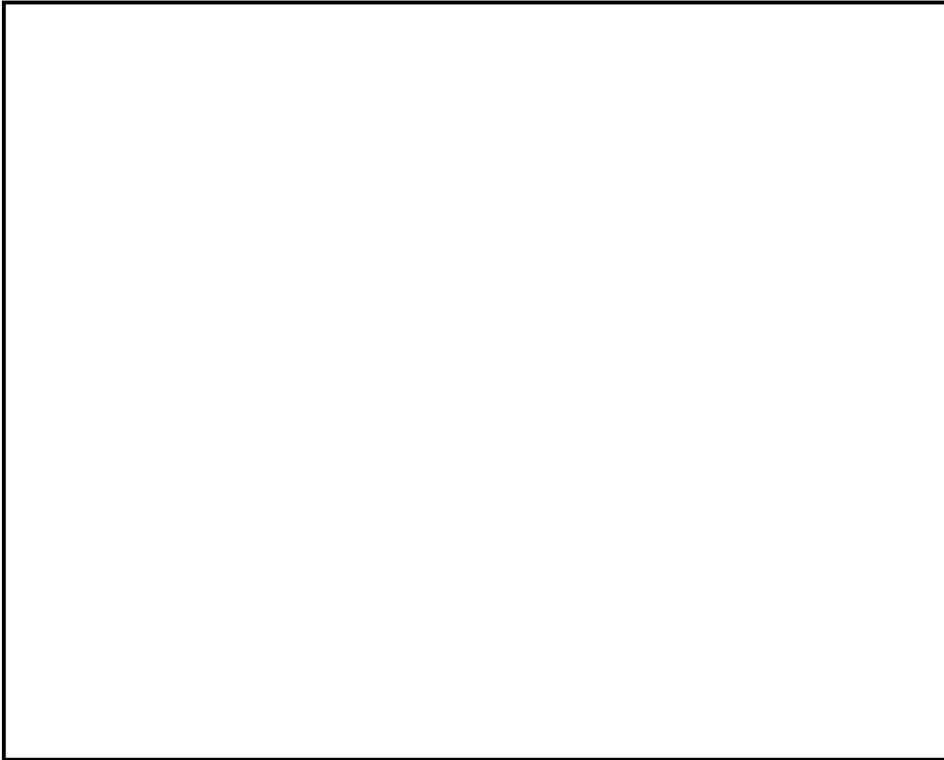
b. Operations Support Staff. This staff [] handles

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three unrelated functions: support, both in equipment and skill, of the Agency's tactical or operational communications capabilities; personnel management of the [] radio operators (CTRs); operation of the OC training facilities []. At the time of this report the responsibility for management of personnel and training is to be shifted to the planned Career Management Staff. Basic responsibility for operations support and research and development is being assigned to a new [] Division. The Operations Support Staff will cease to exist as a separate entity.

c. Security Staff. This staff [] is responsible for the security of Agency communications. It establishes and maintains operating standards, conducts research on technical security of equipment, and monitors (reinforcing this sometimes by inspections) security practice in signal centers.

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e. Telecommunications Staff. This staff is responsible, in coordination with other staffs in the office, for planning and guiding a reliable, secure, and rapid communications system. It plans the use of circuits (including leasing), establishes and enforces operating procedures, and maintains inventory records of all terminal equipment in communications centers, including cryptographic equipment.



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III. PERSONNEL

15. One of the major continuing problems of OC, consuming a significant proportion of the time and attention of management, is that of personnel. The very nature of the office contributes to this, involving as it does a large number of employees, a great many of whom serve away from headquarters for extended periods of time. Another factor is the relatively low grade structure that has been in effect for some years, complicating both recruitment and retention of personnel at the working levels.

Personnel Organization

16. The administrative machinery of OC for handling and supporting personnel involves a substantial number of persons. Nearly [] are involved in this work in the Administrative Staff, which is well organized to meet its responsibilities and functions with remarkably few problems. Approximately [] persons were identified to us in the various staffs as giving considerable time to management of personnel, operating so-called career panels for employees working in the specialization of those staffs. These career panels make the substantive decisions on promotion and assignment and handle some of the supporting paper work and record-keeping. The Administrative Staff implements the decisions and handles most of the detailed administrative support.

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In addition to maintenance of the customary personnel files (some [] files, comprised of records of current employees and recruits and of files up to two years old on departed employees), this involves scheduling leave and travel, briefing personnel on new assignments in preparation for departure (about which we received some complaints, but which in balance is handled reasonably well),

[]
scheduling physical examinations, etc.

17. While we believe that the Administrative Staff handles its duties quite well, we developed basic reservations about the division of personnel management between the operating staffs and the Administrative Staff. There were instances of substantial redundancy in administrative records and procedures. The decentralized administration of the separate specializations (the real distinctions between which were not always precise) tended to produce different policies and opportunities in the various staffs, and these differences were readily apparent to those belonging to the different career panels. In those instances where career panels in the operating staffs were responsible for managing large numbers of persons, the requirements intruded significantly on the time that should be devoted to substantive programs. Conversely, the requirements of the substantive programs exercised an adverse effect on personnel management. It was our conclusion that the principle of

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decentralized management was in this case counterproductive to efficient and orderly management of the office.

18. When we discussed the desirability of centralization of personnel management with OC personnel, we were informed of a study already made of the problem. Staff studies were being conducted on implementation of a plan, and at the time of this report the creation of a new Career Management Staff is near. This staff will be responsible for making assignments (now handled in career panels), training (now conducted by the Operations Support Staff), and development. We believe that an essential ingredient of this staff would be the assignment of one or more Office of Personnel careerists to it. We have been informed that this is not intended, plans being to staff the component entirely with OC careerists. While we have developed considerable respect for the quality of management found in OC personnel, we believe that there are important attitudes and approaches more likely to be found in professional personnel officers, and which would be important in orienting the new staff toward service of office employees. The Administrative Staff has careerists from the Office of Personnel, and we believe that a similar assignment to the new staff would strengthen its performance. The influence of this additional professional expertise would make an important contribution to the overall success of the new component.

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Recommendation No. 1

That the Director of Communications assign one or more professional personnel officers to the new Career Management Staff, filling one of the senior positions with such an officer.

19. Present thinking is that after the new staff has worked out its problems and procedures, consideration will be given to merging it with the Administrative Staff. We are in agreement with the direction of current thinking on this, and endorse the principle of centralization of administrative support of personnel management. Such an arrangement should strengthen the office's activities in this important field, and relieve the operating staffs of administrative burdens not directly essential to their primary responsibilities.

Personnel Grade Structures

20. In the course of this survey, as we studied the work patterns and responsibilities of the working-level communicator--both at headquarters and in the field--it became apparent that the grade structure at that level was outdated by developments over the years. The working-level communicator--the backbone of the system--has been required to master the growing complexities of a system that is expanding its own services into new areas at the same time it is assuming an increased responsibility for general support of other U.S. agencies overseas. While statistics on volume of commu-

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nications traffic can be misleading, it is relevant to the question of growth of services and related responsibilities to summarize the record for the period of 1962 through 1967. During that time the volume of all traffic more than doubled. [REDACTED]

[REDACTED] New technological developments have made it possible to handle this new work without a proportional increase in personnel, but new equipment has brought with it the practical requirement for greater technical qualifications. The resulting overall increase in responsibility and qualifications exceeds the standards normally associated with the relatively junior grades of employees operating the Agency's communications facilities

[REDACTED] Needless to say, the working-level communicator is acutely aware of this, which serves to sharpen any dissatisfaction he may have with his lot in life.

21. In August 1968 there were [REDACTED] employees in OC at the grade of GS-9 or below. The overwhelming proportion of these are CTRs and CTCs, who operate at so-called journeyman grade levels of GS-8 and GS-7, respectively. Promotion to these levels is relatively rapid after employment, but advancement thereafter comes slowly if ever. The average grade in OC is GS-9, and this broad base in the office does not provide much room for advancement from the working levels. We interviewed significant numbers who had not

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progressed beyond that point after over ten years of satisfactory service in grade. It is not difficult to understand how, as employees mature and incur additional financial responsibilities, this situation leads to some dissatisfaction. It is true that many of the working-level communicators had limited formal education prior to employment. In some respects their pay relates to this. While they are aware of this, they are also conscious of the fact that they have become competent specialists in a demanding technical field. A possible reflection of this general situation may be found in statistics on attrition of personnel. OC has the lowest rate of attrition in the Support Services, which in turn runs below the Agency average. Yet the attrition among CTRs and CTCs in OC runs some two percentage points higher than in any other part of the office and close to the overall Agency figures. Recent statistics indicate an increase in the rate of attrition in this category of employee.

22. A continuation of the present grade structure among working-level communicators could have serious implications for the office in terms of attracting and holding personnel of the quality necessary to maintain present standards. In terms of responsibility and qualifications, and the related adequacy of pay scales, there is reason for amendment of the grade structure. The Director of Communications, prior to commencement of this survey, had initiated a study of this problem in which a comparison was made of the respon-

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sibilities and grades of Agency communicators with those in other government organizations. That study concluded that some [] positions should be upgraded. Those findings have been presented to proper authority and approval in principle has been given to raising the OC grade structure in working levels. Considerable detail remains to be worked out. We suggested that the development of a new grade structure might be based in part on a grading of [] as a basis for determining the level of the OC Officer in Charge (OIC) assigned to each installation.

Restructuring of Personnel Classifications

23. OC has approximately [] radio operators and [] cryptographers. Traditionally, the CTR is rated above the CTC, a fact reflected in the grade differential noted in the preceding section of this report, and in opportunities offered for advancement beyond the working level. The differential is supported by additional requirements that CTRs must meet to hold their grades and gain advancement. For example, CTRs are "cross trained," i.e., trained in CTC work as well as in their own specialization.

24. The distinction in work and grade level between CTR and CTC originated in a much earlier period, when the differences were easier to delineate. The CTC specialized in time-consuming work of a relatively clerical nature, while the CTR was the more broadly

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trained and qualified communicator. The formal distinctions have been retained, but in practice they have tended to become blurred over the years. With automation, the signal center of the modern relay station came to be viewed as the work area of the CTC. The CTR has also been assigned there, however, working alongside the CTC doing the same work for different pay. CTCs provide the second man in some of the smaller stations, with an informal requirement to stand in for the CTR OIC. It is hardly surprising that some CTCs have changed their classification to CTR. We believe that it is also significant that, as cryptographic equipment has relied increasingly on complex technical applications, CTCs have developed a technical competence to make minor repairs--a qualification not originally identified with the work.

25. We believe that there has been a clear trend toward a requirement for more broadly qualified communications personnel at the working level. This has long been implicit in the "cross training" of the CTR, and is now reflected in the plans for a general increase in grade ceilings among OC working-level employees. We believe that the personnel structure of the office should reflect this yet further, in a change in the relative proportion of CTRs and CTCs. If the trend of the past continues, the relatively narrow qualifications of the CTC will tend to impose limitations on the flexibility of the office in staffing its positions. To

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some degree, this is already the case.

26. The limited capabilities of the CTC represent both a current problem and future weakness. The CTC is limited in assignability, there being a relatively limited number of positions overseas to which he can be assigned. This results in a fairly even pattern of rotation for the CTC between headquarters and the field. The CTR, in contrast, traditionally has occupied only a relatively small number of stateside positions, and must expect extended service overseas. If the Office had a larger proportion of CTRs than it now has, with fewer CTCs, a more even rotation of all personnel would be possible. (See paragraph 33d, page 26.)

27. We believe that OC, in facing an increasing requirement for broader qualifications among its working-level personnel, will be required to restructure its staffing patterns. We believe that this should take the form of an increased number of CTRs as the basis for a larger corps of more versatile, more broadly qualified personnel, with a reduction in the number of CTCs.

28. In advancing such a concept we are not unmindful of the problems involved in altering a long-established staffing pattern, with its effects on the careers and attitudes of a large number of specialists. Such a change would require painstaking planning and administration. Not the least important consideration would be the way in which the policies are presented to OC employees, since great

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care will be required to reassure both CTRs and CTCs that their career status will not be impaired. Some of the problem areas are obvious: the need for a detailed study of a new grade structure, looking to a substantial reduction of the CTC classification; a change in existing recruiting and training of new employees; development of training programs, [] to help personnel with CTC qualifications meet CTR requirements; specific provision for protecting the career status of those who do not qualify as CTRs, because of either choice or ability; allowance of ample time for phasing the change. Despite the problems presented by such a proposal, we believe that such a step is essential if OC is to put itself in the strongest possible position to cope with the problems that lie ahead.

Recommendation No. 2

That the Director of Communications conduct a study looking to the reduction of the number of cryptographers (CTCs) in the Office of Communications, with a proportional increase in radio operators (CTRs), and submit the findings to appropriate authorities for approval.

Personnel Relations

29. One problem encountered on a recurring basis is in the area of personnel relations. Many employees at working levels, especially those overseas, feel outside the mainstream of office life. The office has a number of programs intended to develop its

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image in the consciousness of its employees, and draw them into the current of its activities. One example of this is the regular scheduling of orientation briefings for personnel returning to headquarters. Overseas, it is customary for OC personnel to provide organized assistance to newly arrived families to help them settle in their new environment. For a variety of reasons, programs such as these have met with mixed success. Employees are well aware of the high standards of performance set by the office, and they take pride in conforming to them, but they frequently identify more with the tangible features of their immediate assignment than with what to them is a distant or impersonal headquarters.

30. The difficulties in establishing an optimum level of communication between management and employees are greater in OC than in most Agency components. With some three-fourths of the office's employees in the field, opportunities for service at headquarters are limited, particularly among CTRs; in the course of this survey we talked with a number of employees who have had continuous overseas service for periods in excess of ten years. It is inevitable that these employees have difficulty visualizing, and feeling a part of, a headquarters life they do not know. With

[REDACTED] the individual OIC frequently at the level

of GS-9 or below, it can be appreciated how difficult it is to

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extend to those in the field an adequate sense of "belonging"-- of identifying with senior management and its attitudes and policies.

31. One of our concerns with this basic problem derives from the desirability, from a general management point of view, of strengthening the ties of the office with the employees it wants to hold. Retention of employees would reduce the administrative costs of replacing personnel in the area where attrition is highest, among the large corps of working-level communicators. This attrition, mentioned earlier in this report, necessitates a strong recruitment and training program that adds measurably to the cost of operations.

32. From a security point of view, beyond purely management considerations, our concern with the implications of this problem is somewhat more serious. In addition to their underlying sense of separation from headquarters, communicators overseas frequently find themselves not fully a part of the American community where they work. They frequently are not fully assimilated into either

While they develop a considerable degree of self-sufficiency, this does not always offer a wholly satisfactory life for many of them. To the extent that they feel rootless--in reference to both their own headquarters and local life --they are removed from organizational ties and social restraints that influence the conduct of most employees. In varying degrees this tends to expose or subject them to the operation of other

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influences. This should be a cause for continuing concern. The lower-graded employee assigned to sensitive work is the classic target for penetration efforts by opposition forces. We know of no instances of opposition success in operations against Agency communicators, but instances have come to our attention of personal difficulties that might be attributed to the factors described.

33. The need for reinforcing the orientation of employees toward the Agency and their own component is a continuing vital need, however intangible it may appear. The projected increase in grade levels will have some effect on this. The proposed creation of a Career Management Staff will strengthen the posture of OC in its approaches to a well-rounded program of personnel management; the mere institutionalization of this activity will generate new initiatives in the area of personnel relations. Beyond these developments there are other areas that might be given attention by OC management to reinforce its position vis-a-vis its employees:

a. Office management should develop a program to improve the personalized aspect of managing personnel. OC is markedly strong in developing managers who perform well in the energetic resolution of tangible problems, but too frequently to the neglect of sympathetic or constructive relations with subordinates. This is a basic and central ingredient of modern management, and

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should be given increased emphasis.

b. Consideration should be given to publicizing the personnel programs of the office. A great deal of time and thought is given personnel management in OC, but the extent and nature of this effort remains a mystery to many office employees. Their understanding of it would strengthen their own appreciation for the quality of management in their parent organization. Accompanied by a more personalized approach to the problems of junior employees, this should serve materially in strengthening the basic orientation of personnel toward their employment.

c. A program of career counselling should be instituted. We found practically no personal career counselling in OC, except at the initiative of the employee. Recognizing the problems of counselling on career development in an office with limited opportunities for advancement, we nevertheless believe that there is need for better communication here between management and employees.

d. The office should establish a maximum period of time, not to exceed eight years, that an employee will be permitted to serve overseas without a tour of

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duty preferably at headquarters.

e. The Quality Step Increase should be used more at the working levels to recognize continued high performance over sustained periods of time. OC has an excellent record in the use of Honor and Merit Awards, but it has been below Agency averages in use of the QSI.

34. We are suggesting a new emphasis on personnel relations as an important element in overall management. While this will express itself both in tangible programs and in personalized relations between supervisors and subordinates, becoming a characteristic of management style, more fundamentally it should be a reflection of a basic attitude on the part of management. We believe that this is particularly important in middle levels of OC management, and for junior officers being developed for advancement. To develop such an approach will require the continued attention of command levels in the office.

Recommendation No. 3

That the Director of Communications develop a program emphasizing a more positive approach to the problems of personnel relations.

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Competitive Rating for Promotion

35. With a large number of widely scattered personnel competing for a limited number of higher grades, OC is confronted with the substantial task of operating a system of promotion that advances the most qualified and deserving employees. To do this it has developed a system for grading employees on an office-wide basis, by specialization and by grade within specializations. Personnel are rated initially in the geographic area or headquarters component to which they are assigned, and the results of those different ratings are consolidated annually into what is known as the Competitive Evaluation List (CEL). The CEL lists employees in numerical sequence and serves as the basis for future promotion action. The difficulties of achieving a completely equitable result are apparent, and the likelihood of gaining wholehearted approval from those whose careers are affected by it is small. Some of the obstacles to a completely satisfactory CEL are obvious: many communicators serve overseas for prolonged periods, in small posts, and may not become known personally to rating officers; judgments by rating officers cannot avoid reflecting gaps in their knowledge, with imperfect balance in comparative judgments between employees known to them and those not known; a final numerical listing of personnel by order of standing cannot avoid some arbitrary judgment in distinguishing between a good man in

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It is understandable that the system attracts criticism.

36. OC is aware of the criticism and offers the following as qualifying considerations: each Area Chief has an opportunity to observe operators through the eyes of the relay stations usually co-located with him; the Area Chief and his staff officers travel in their area and become acquainted with personnel in this way; the Area Headquarters keeps track of progress on training programs for individual employees and reviews fitness reports; at headquarters, experienced officers, with broad acquaintance, either know most of the employees that have been in OC for some time, or know reliable officers on whose knowledge they can draw for further information.

37. A good deal of conscientious attention and effort is devoted to this important aspect of management of personnel by OC officers, and we believe that the results of the CEL are well within defensible limits, despite some specific instances where criticism may be warranted. There is one area in which we feel that adjustments may be useful, and this has to do with the stability of ratings given individuals from year to year.

38. In the course of the survey we were told of instances in which the rating of employees varied materially from one year to the next, without any visible change in the character of their

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performance or in the objective description of the performance of those who passed them by. We can understand how, when an employee "catches fire," he can move ahead rapidly. But we have difficulty in accepting a significant loss of position in the CEL by a man who had advanced to a reasonably high spot and continues to give a good performance. One explanation is the tendency of the system to penalize a man on transferring from an area where he may have advanced as he became known to a group of rating officers there. On arriving in a new area he falls into place behind those who have already earned their way to the top. Perhaps the system, to ensure protection of its own internal integrity, should preserve the transferee's position on the CEL unchanged until he has been in his new area long enough to demonstrate his worth there. However, transfers are not the only explanation for the variations that seem to occur, and we believe that management may wish to address itself to the handling of undue fluctuations in CEL ratings, which seem more the result of vagaries of subjective judgment than related to the actual performance of the employees.

39. We do not make these comments in the form of a recommendation, feeling that they represent matters more properly the subject of informal adjustment.

Future Office Management

40. Command levels in OC have expressed concern about the ability

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of past staffing practices to continue to produce the necessary managerial talents for the future. This concern originates in the growing complexity of technological decisions that must be made at the management level, and the feeling that those at that level must have advanced engineering or technical backgrounds to make the proper decisions. Various programs have been undertaken to bring in new employees with university degrees in appropriate fields. The Engineering Staff has received the majority of these new employees. We found the ones that we interviewed to be bright and alert young men, thoroughly intrigued with the problems and activities of the office. We are of the opinion that in the long run their contribution to the office will be substantial.

41. As we have indicated elsewhere in this report, we are impressed with the professional and tough-minded competence of the average OC manager. Therefore, while we believe that OC is properly concerned about the requirements of the future, we believe that it has the basic ability to handle the problems that will be presented to it. If and when technical requirements exceed the competence of OC, that office can always turn to the Directorate of Science and Technology, to draw on the technological knowledge of its various components.

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V. ADMINISTRATION OF TECHNICAL PROGRAMS

59. At the beginning of this survey OC centered all research and engineering in one staff, the Engineering Staff. This subordination of the two activities was intended to provide the advantages of interchange of ideas that co-location should produce. Instead, the research effort seemed hampered by the practicalities arising from engineering considerations; most supervisors were oriented toward the more immediate engineering problems rather than toward the more exotic problems of R&D. We felt that this produced some lack of cohesion in the overall R&D-engineering complex, without a clear enough focus on the problems of R&D.

60. At [] the activities of the research facility, the analysis laboratory, and the Special Electronics Operation (SEO) facility were mutually exclusive, although each has experimental facilities similar to those of the others. Each does work of interest to that of the other groups. Even in the analysis laboratory techniques are being developed that would have significance to both SEO and the research organization. Additionally, we had some question as to the balance of work between that carried on by these activities and that contracted to private enterprise. [] analysts and technicians had only limited work assignments at the time of the inspection, although work was being contracted out that they believe was within their competence to handle. While we are unable

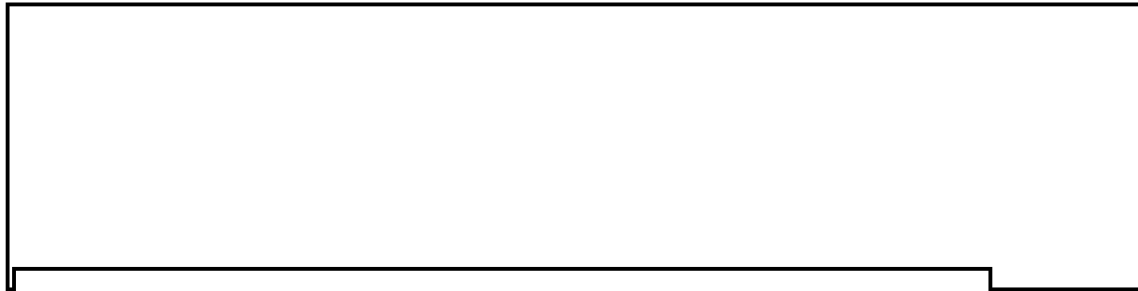
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to cite the record of this balance in work over the years, the fact that it was observed during the inspection reflected to us one facet of the difficulty of managing R&D under the arrangement then in existence.

61. As in the case of other problems that came to our attention in this survey, the office also had this problem under review. Plans have progressed to the point of designating a slot for a Special Assistant for Research who will have the responsibility of ensuring that the various facilities [] are mutually supporting. That Special Assistant will also have overall responsibility for pulling together the various aspects of the research program and assuring that it meets the needs of the other parts of the office. An element belonging to the Operations Support Staff is also being [] to engage in liaison with the research activities in order to incorporate the latest operational thinking into the development of new clandestine communications equipment. This organization should go a long way toward improving the posture of OC for dealing with these complex technical problems. By providing separate authorities for engineering and research, it ensures the proper emphasis on each, with the essential coordination of their related activities being handled through the Special Assistant.

62. In addition to the foregoing provisions for handling technical programs, OC also has special machinery for determining and

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The

Director of Communications sits on [redacted] when OC interests are involved. There is working-level liaison with Technical Services Division, although indications are that this most frequently assumes the character of pro forma exchanges rather than providing a forum for technical ideas and requirements. Liaison with elements of the Directorate of Science and Technology is limited, although machinery is available when required.



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Technical Cognizance and Logistics

67. OC is responsible for exercising technical cognizance over all communications equipment in the Agency supply system, with certain special exceptions. Under this responsibility OC controls the development and selection of equipment, determines those items that the inventory shall include and the quantities, and reviews the technical nature of equipment requested for issuance against stated needs. The annual expenditure for this equipment, by all components of the Agency, amounts to

68. The key mechanism in OC for exercising its technical cognizance is the Materiel Support Branch (MSB) in the Engineering

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Staff. This is manned by four OC technicians and thirteen careerists from the Office of Logistics. In part it serves as a Logistics beachhead in OC. MSB is not only the channel for exercise of technical control by OC over this category of stock, but it also engages, in varying degrees, in processing requisitions, maintenance of stock records, and stock management and inventory control. These activities are usually associated with the Supply Division, Office of Logistics. To the extent that the work is repetitive between the two offices it presents questions of duplication and of the degree of efficiency with which the Agency manages this aspect of its affairs. OC recognizes that some duplication exists, but considers it necessary in the exercise of its technical responsibility as cognizant office for communications equipment.

69. One area of duplication exists in the clerical research carried on in processing requisitions. This involves ascertaining the proper stock numbers for items requisitioned. MSB does this research on the requisitions it processes before forwarding them to Supply Division. The completed requisitions go from MSB to a cataloguing section in Supply Division, where all stock numbers used on requisitions are verified. There the work of MSB is reviewed for accuracy, repeating essentially the same actions already taken by MSB. This adds nothing to the transaction, and we believe it to be unnecessarily repetitive. MSB is staffed with Logistics

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careerists, presumably competent to do the work correctly. The duplicate function should be eliminated from either MSB or Supply Division. We believe this to be a question that can be handled jointly between the Offices of Communications and Logistics.

Recommendation No. 8

That the Director of Communications initiate, with the Director of Logistics, a joint review of the duplication in cataloguing research on stock numbers, with the purpose of eliminating the duplication that now exists in this work between the two offices.

70. There is no duplication between OC and Supply Division in the stock management of expendable stock items. Supply Division maintains full responsibility for all normal stock management functions of expendable items, including normal stock analysis studies and setting of reorder points. It initiates procurement actions and routes them through MSB for technical review. OC does not attempt to follow stock levels in this category, and keeps no records on it.

71. There is duplication between the two offices in the management of nonexpendable communications stock. Both MSB and the Stock Control Branch of Supply Division keep detailed records on these items. MSB's records take the form of a Kardex System, with entries made to record daily transactions. Supply Division keeps its record in the form of a monthly IBM print-out of inventory. It keeps its working record current by making notations of

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transactions on the face of the print-out. MSB believes that the records it keeps, showing a more complete history of usage than is available from Supply Division records, is essential in making stock analysis studies, in setting reorder points, and in determining expenditures for this more costly equipment. It feels that it must keep its separate record for nonexpendable equipment as a management tool in carrying out its responsibility.

72. The investment in manpower in keeping the separate MSB record on nonexpendable stock is not great. It is estimated that no more than half the time of one GS-7 is required to do the work. Further, there is some merit in MSB's claim that the record in its filing system provides a historical picture not available from Supply Division records. The nonexpendable equipment is usually more costly than expendable items, and OC believes that it needs this background information for its decisions. In the light of MSB's responsibility--the review of an annual expenditure of some [redacted] we are not inclined to press the point at this time.

The Office of Logistics has incorporated into its computer system the same information on nonexpendable stock that MSB keeps in its Kardex System. It plans that in about a year this information will be available for remote query by OC.

73. MSB has another reference system that, while not presently a duplication of records being kept by Supply Division, will probably

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become redundant in the future. This is a system designed to facilitate research for identification of parts numbers, equipment descriptions, etc., in processing requisitions. This system--the Simplafind System--has been useful to both the and the Office of Logistics. Information in it is now being committed to the Logistics computer program. When this is completed, in about a year, it may obviate the need for NHB to continue this reference system.

74. When the Office of Logistics computer system contains all the cross-reference material now contained in the Simplafind System, and can be queried instantly for information now in the Kardex System, OC will no longer require the separate files it keeps. At that time it will be appropriate to review the duplication of records in terms of the services available from the computerized reference system.

75. At the time the question of duplicate files is reviewed, we believe that it will also be appropriate to review the mechanisms for stock management. Not only may it prove desirable to centralize stock records and management functions in the Office of Logistics, but it may prove desirable also to locate OC technicians with that activity to complete centralization of all aspects of communications supply management.

76. A decision to eliminate duplicate stock records is not

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appropriate at this time, prior to completion of the computer program and an opportunity to evaluate it. With the estimated time for completion of the computer program being only a year off, we do not feel that any great loss will be experienced by continuing with the present arrangement for the time being. When the new computer system is operational and can be evaluated, it would be proper for the question to be reviewed by the Deputy Director for Support.

Recommendation No. 9

That the Deputy Director for Support, upon completion of the computer system being installed for the Office of Logistics, initiate a study of duplication of records maintained by the Offices of Communications and Logistics for purposes of stock inventory and parts identification, with the objective of eliminating such duplication; and that this study consider a centralization of all aspects of stock management of equipment and supplies in the Office of Logistics, but still subject to the technical cognizance of the Office of Communications.

TAB 5

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